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The President's Daily Brief

February 9, 1976



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FOR THE PRESIDENT ONLY

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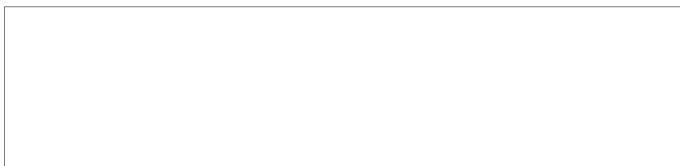
Note: USSR (Page 4)

At Annex we examine the appointment of Hua Kuo-feng as China's acting premier.

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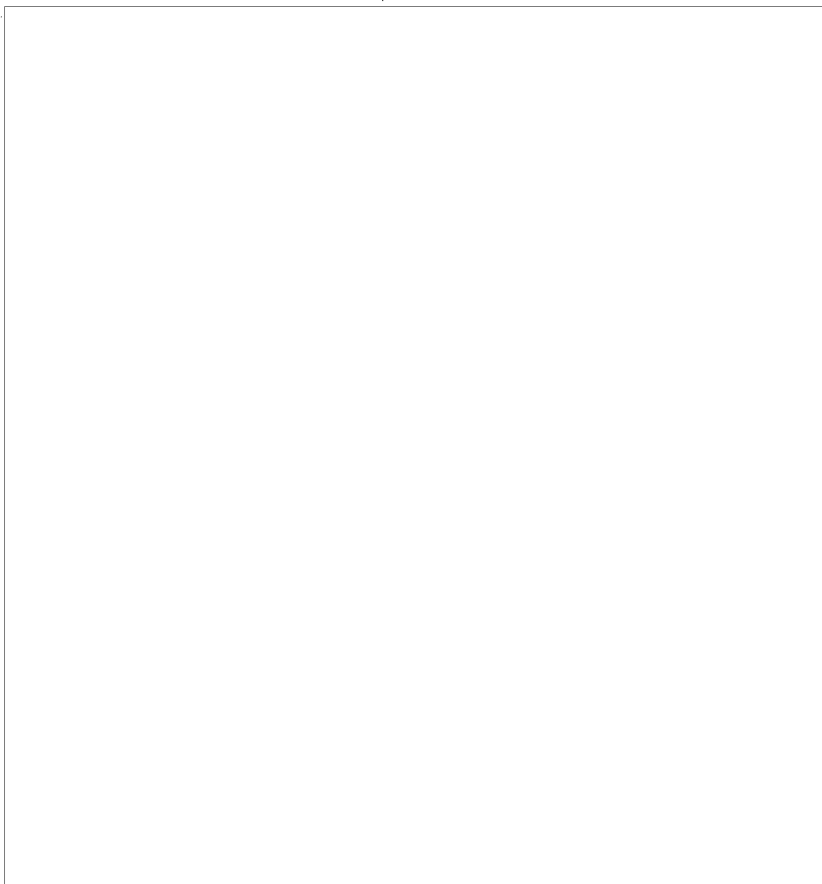


ANGOLA



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LEBANON

Syrian President Asad affirmed, in a communique following Lebanese President Franjiyah's visit to Damascus on Saturday, that Syria will guarantee Palestinian respect for existing agreements restricting fedayeen freedoms in Lebanon.

Asad's promise to control the fedayeen may lead to an early announcement of political agreement between Lebanese Christians and Muslims. The Christians, who have been demanding that the Palestinian question be settled before any political reforms are implemented, now have little excuse for delay.

A Lebanese newspaper reported yesterday that on Saturday Franjiyah and Asad signed a wide-ranging secret agreement that will be made public after approval by the Lebanese cabinet this week. The accord reportedly provides for:

- A revised and written national charter to replace the existing unwritten national covenant.
- The scheduled withdrawal of Palestine Liberation Army troops from Lebanon.
- The formation of a new cabinet under Prime Minister Karami.

Franjiyah presumably will use the agreement on the Palestinian question in a final attempt to get the backing of all Christian factions for a comprehensive political settlement. Leaders of some ultraconservative Maronite groups reportedly are demanding a more detailed agreement that would better protect the Christians' remaining political prerogatives.

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MOROCCO-ALGERIA

Egyptian Vice President Mubarak was apparently unsuccessful in his effort last week to mediate the dispute between Morocco and Algeria over Spanish Sahara.

Neither Rabat nor Algiers was willing to make concessions. A senior Moroccan foreign ministry official stated that Rabat will resist any effort to allow Algiers a substantive role in the Saharan issue. As conditions for negotiations, the Moroccans have insisted on recognition of their sovereignty over the territory and the withdrawal from the area of Algerian forces, presumably including the Polisario guerrillas.

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Algeria apparently was equally inflexible in the proposals it offered. [REDACTED]

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Morocco's decision to continue its military sweep in Spanish Sahara while Egyptian mediation efforts were still going on contributed to Mubarak's lack of success. Rabat announced that Moroccan forces occupied the Saharan town of Tifariti--near the Mauritanian border--without opposition on February 4.

NOTE

[redacted] the Intelligence Community on Saturday reviewed Soviet developments since mid-January.

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[redacted] Soviet military activity in other areas, including the Chinese border, appears generally normal.

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There are no signs of unusual activities by the Soviet leadership. Soviet leaders appear busy with preparations for the party congress, which is scheduled to open on February 24.

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CHINA

Beyond a brief and almost casual acknowledgment of the appointment of Hua Kuo-feng as acting premier, the Chinese have thus far made no attempt to explain the move. The appointment was almost certainly decided at a leadership meeting that began after Chou En-lai's funeral last month and apparently lasted about two weeks.

The appointment of Hua is obviously a major setback for First Deputy Premier Teng Hsiao-ping, who acted for Chou En-lai for over a year. Nearly all Chinese officials in and out of China had long predicted that Teng would succeed Chou; these predictions were continuing after Chou's death and up through last week. [REDACTED]

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Teng's rapid rise to prominence over the past three years from the powerless obscurity of a purged victim of the Cultural Revolution attested to the careful planning that had gone into the succession arrangements. Each step in Teng's return to power had the full endorsement of Chairman Mao Tse-tung.

Teng has not appeared in public since he delivered the eulogy at Chou's funeral on January 15. The delay in naming him premier suggested that the appointment had run into trouble. A vicious and only thinly veiled attack on Teng appearing in last Friday's *People's Daily* indicated that the trouble was serious.

The tone of this attack, which was reminiscent of the polemics that characterized the Cultural Revolution, strongly suggests that the party's left wing, which was responsible for Teng's initial purge and which has clearly resented his return to prominence, retains something of a veto over major appointments--at least when persons of the symbolic importance of Teng are involved. There is no indication, however, that Teng has again been purged. Chinese officials abroad are apparently claiming that Teng remains first deputy premier, and he presumably retains his posts as armed forces chief of staff, as a member of the Politburo standing committee, and as vice chairman of the party.

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The designation of Hua Kuo-feng as "acting" premier indicates that the problem of the succession to Chou is by no means fully settled. It is still possible that Teng might eventually get the post when the National People's Conference meets next. As it is now constituted, the body is relatively conservative. The odds against Teng's appointment, however, are now quite long. It may be some time, moreover, before the National People's Conference convenes. Prior to January 1975, the conference had not met for a decade, largely because of deep-seated quarrels within the party.

It is evident that these quarrels, in large measure a legacy of the Cultural Revolution, have not been resolved. The residual power of the party's left wing, in slow decline since 1969, had appeared to have been broken in the course of the anti-Confucius campaign of 1974, which in large measure was designed to pave the way for Teng's succession to the premiership. The leftists, however, appear to have seized on the issue of proposed changes in the educational system in the weeks immediately preceding Chou's death to reopen debate on a series of basic issues, including the question of the succession itself.

Mao undoubtedly endorsed Hua's appointment as acting premier. This point was made explicitly in the Hong Kong newspaper story that broke the news of the appointment. The Chairman may never have been fully comfortable with Teng, with whom he had major differences in the early 1960s. Mao's explicit backing of Teng at each step in his return to power, nevertheless, closely associated the Chairman with the deputy premier, and Mao's image will be further tarnished. If Teng does not recoup, he would be the latest in the long string of "wrong horses" the Chairman has backed in China's drawn-out succession struggle.

Although the left will doubtless take comfort in the current setback to Teng, the appointment of Hua is far from a leftist "victory." Hua entered high-level politics in Peking in the wake of the fall of former defense minister Lin Piao--a moment when the left was reeling--and he was denounced in the anti-Confucius campaign for "suppressing the masses." He was given formal authority in internal

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security matters through his appointment in January 1975 as minister of security. Hua is capable and affable, but lacks the wide experience of Teng Hsiao-ping, much less that of Chou En-lai. He has no background in foreign affairs, although foreigners who have held discussions with him have found him generally conversant with major international issues.

Hua ranks with Second Vice Premier Chang Chun-chiao as the most important of the "middle generation" of China's leaders due to succeed the old guard who are now dying off. He rose to power as an important provincial figure during the Cultural Revolution. He is therefore probably more acceptable to the leftists than the old-line party bosses of whom Teng is the primary symbol. His current politics and the fact that he is not associated with the excesses of the Cultural Revolution make him acceptable to the more conservative party members. He is thus obviously a "compromise candidate," and his position in the middle of the political spectrum presumably was the primary recommendation for his appointment.

Hua's accession as acting premier is not likely to result in major changes in China's domestic policies, although presumably the proposed changes in educational practices are now in abeyance. Hua has been closely associated with the recent efforts to upgrade China's agricultural output in preparation for further modernization of the country's industrial plant; he will doubtless continue to press this program, which was also closely associated with Teng Hsiao-ping.

Hua is also unlikely to initiate any major changes in China's foreign policy, particularly while the succession issue remains in doubt. Foreign policy issues nevertheless may well have played a part--albeit subordinate--in the struggle that led to his appointment. The announcement of former President Nixon's impending visit to China came only one day before disclosure of Hua's appointment, suggesting that the issue of relations with Washington was discussed in the meetings that followed Chou's funeral. The unusual handling of the release of the Soviet helicopter crew late in December may also have been an outgrowth of the backstage maneuvering over the premiership.

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Although immediate changes in domestic and foreign policies are probably not in the cards, China's party members are likely to be unsettled by Hua's sudden and unexpected appointment. This new evidence of instability and division in the upper ranks of the party will almost certainly have an adverse effect on morale. Indeed, the fact that Chou's arrangements for the succession to the office he held for so long did not hold up for even a month suggests that Mao's arrangements for his own succession are likely to be fragile at best.

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